§ 157. Claims and actions against authorities. 1. In every action or special proceeding, for any cause whatsoever, prosecuted or maintained against an authority, other than a claim arising out of a condemnation proceeding, the complaint or necessary moving papers shall contain an allegation that at least thirty days have elapsed since the demand, claim or claims upon which such action or special proceeding is founded were presented to the authority for adjustment and that it has neglected or refused to make an adjustment or payment thereof for thirty days after such presentment.

2. An action against an authority for damages for injuries to real or personal property, or for the destruction thereof, or for damages for personal injuries, alleged to have been sustained by reason of the negligence of, or by the creation or maintenance of a nuisance by said authority, or any member, officer, agent or employee thereof, shall be commenced within one year and ninety days after the cause of action therefor shall have accrued, provided that a notice of the intention to commence such action shall have been served upon the authority. All the provisions of section fifty-e of the general municipal law shall apply to such notice. The authority may require any claimant hereunder to be examined as provided in section fifty-h of the general municipal law, and all the provisions of such section shall apply to such examinations.

3. The authority may require any person presenting for settlement an account or claim for any cause against the authority, except as to examination on claims as set forth in subdivision two of this section, to be sworn before a member, the secretary, counsel or an attorney of the authority, touching such account or claim, and when so sworn, to answer orally as to any facts relative to the adjustment of such account or claim. The authority may settle or adjust all claims in favor or against the authority, and all accounts in which the authority is concerned as debtor or creditor; but in adjusting and settling such claims, it shall, as far as practicable, be governed by the rules of law and principles of equity which prevail in courts of justice.

4. This section shall not apply to claims, actions or proceedings by obligees on bonds or covenants of an authority, or claims arising out of

condemnation proceedings except as provided in subdivision five herein.

5. The rate of interest to be paid by an authority upon any judgment or accrued claim against the authority shall not exceed nine per centum per annum.